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RUEHLO/AMEMBASSY LONDON PRIORITY 0437  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0912  
RUEHFR/AMEMBASSY PARIS PRIORITY 0366  
RUEHKO/AMEMBASSY TOKYO PRIORITY 0281  
RUEHCG/AMCONSUL CHENNAI PRIORITY 0116  
RUEHKP/AMCONSUL KARACHI PRIORITY 0165  
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RUEKJCS/JOINT STAFF WASHDC PRIORITY  
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SIPDIS

SENSITIVE  
SIPDIS

STATE FOR SCA/CEN (SNELSIRE), EUR/FO

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TAGS: [PREL](#) [ENRG](#) [EPET](#) [CH](#) [TX](#)

SUBJECT: TURKMENISTAN ENERGY: MONOSYLLABLES FROM DEPUTY  
CHAIRMAN FOR GAS AND OIL TAGYEV

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Sensitive but unclassified. Not for public Internet.

¶1. (SBU) SUMMARY: After many postponements, SCA PDAS Steven Mann, EUR DAS Matt Bryza, and EEB Rob Garverick met late in the day July 11 with Tachberdi Tagyev, the Government of Turkmenistan's Deputy Chairman for Gas and Oil. In contrast to other productive meetings during this visit (septels), this one neither broke new ground nor elicited new information. Tagyev, barely civil, was nearly monosyllabic throughout the 30-minute meeting. The general consensus in Ashgabat is Tagyev is in way over his head. The well-plugged-in Ambassador of Turkey has reported rumors that Tagyev may be on his way out the door, which most would see as a welcome development. END SUMMARY.

U.S. ENERGY COMPANIES

¶2. (SBU) PDAS Mann told Tagyev Turkmenistan's energy is of serious interest to the U.S. government, and noted he had previously asked President Berdimuhamedov how the United States can be helpful to his government. Reminding Tagyev the U.S. government cannot direct private-sector investment but, nevertheless, strongly supports U.S. companies, Mann asked him for his views of U.S. companies' activities in Turkmenistan.

¶3. (SBU) Tagyev replied all are welcome to work in the Caspian sector, and noted he'd met "two or three times" with Chevron. Mann said ConocoPhillips had told him they were

reviewing Turkmenistan's standard production sharing agreement. Noting the original dated to 1992, Mann asked if it had been revised. Tagyev answered, "No."

¶4. (SBU) Mann added other U.S. companies are interested in Turkmenistan, and asked if ExxonMobile has been to Ashgabat. Tagyev replied, "No." Mann mused, "That's interesting because they told me they had been here."

¶5. (SBU) Pressing ahead, Mann reminded Tagyev that Chevron would welcome him to the United States for presentations, and that he would also find a welcome in official Washington. Tagyev said, "Thanks." He then noted he'd already been to the United States ) and even to the Netherlands.

¶6. (SBU) Tagyev allowed the government of Turkmenistan is "open to companies' presentations," and added, "TOTAL's been here looking at both gas and oil in the Caspian blocks." When he added Buried Hill has also expressed interest in the Serdar Block, Mann interjected that company is quite small.

WHY IS CHINA IN THE AMU DARYA BASIN?

¶7. (SBU) Acknowledging Turkmenistan appears to have an open door for its Caspian resources, Mann asked if on-shore deposits, like the Amu Darya Basin, are open to foreign exploitation. Specifically about Amu Darya, Tagyev replied, "No." Mann asked Tagyev to clarify Turkmenistan's policy, since China is working the Amu Darya Basin. Tagyev's reply? "Government decision. 2006 bilateral agreement we must honor." Mann noted that opening to Chinese but not to American firms would seem to violate Turkmenistan's policy of permanent neutrality. Tagyev replied, "No, it doesn't." Mann pressed, "But is Amu Darya closed to Russia's Gazprom?"

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Energized to reply with more than one sentence, Tagyev emphasized that on-shore exploitation of hydrocarbon resources is closed not only to Gazprom, but to all ) except for companies like Dragon Oil that are allowed to continue their work begun in the 1990s.

FUTURE PRODUCTION

¶8. (U) Mann asked Tagyev for his forecasts for future gas and oil production. Tagyev provided the following figures without additional comment or explanation:

-- By 2010  
12 million tons of oil  
120 billion cm of gas

-- By 2030  
100 million tons of oil  
250 billion cm of gas

¶9. (SBU) COMMENT: Tagyev's numbers are not necessarily authoritative. While his gas production estimates are consistent with those in Turkmenistan's 2030 plan, his figures for oil production are lower; the 2030 plan had Turkmenistan producing 20 million tons of oil by 2010 and 110 million tons of oil by 2030. END COMMENT.

IEA

¶10. (U) PDAS Mann asked Tagyev for a read-out of Turkmenistan's relations with the International Energy Agency (IEA). Reverting to short-form replies, Tagyev said IEA had postponed its initial visit.

TIOGE

¶11. (U) Mann encouraged Turkmenistan's energy officials to participate in international conferences and exhibitions. He asked if the Turkmenistan International Oil and Gas Exhibition (TIOGE) planned for November will be larger than

in recent years. Tagyev replied, "Larger, insh'allah."

#### CASPIAN DELIMITATION

¶12. (U) Mann asked if there has been any progress on Caspian Sea delimitation. Tagyev replied it's not his responsibility ) other experts work on that.

¶13. (SBU) Mann asked how the United States can support Turkmenistan's energy plans and programs. Shuffling his papers, Tagyev replied, "I can't say." Mann reiterated that U.S. support for Turkmenistan's energy sector is strategic, with the goal of assuring Turkmenistan's independence and increasing the wealth of its people. "It's your decision how we can help achieve these goals."

#### COMMENT

¶14. (SBU) This meeting was a frustrating aberration in an otherwise productive schedule. Within Turkmenistan's gas and oil bureaucracy, Tagyev was once a respected, competent technocrat, but he is not a sophisticated strategic thinker.

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Now that the energy world is beating a path to his door, Tagyev is clearly in over his head. Later the same evening, the Turkish Ambassador told Mann of rumors that Tagyev will not keep his job much longer ) which would be a most welcome development. END COMMENT.

¶15. (U) PDAS Mann has cleared this cable.

HOAGLAND